

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

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<i>In re</i>	:
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,	: PROMESA
as representative of	: Title III
THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i>	: Case No. 17-BK-3283-LTS
Debtor.	: Court Filing Relates Only to PREPA
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<i>In re</i>	:
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,	: PROMESA
as representative of	: Title III
PUERTO RICO ELECTRIC POWER AUTHORITY (PREPA),*	: Case No. 17-04780-LTS
Debtor.	: (Jointly Administered)
	: ----- X -----

**REPLY IN SUPPORT OF EMERGENCY MOTION OF THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS, THE FUEL LINE LENDERS AND UTIER TO
ADJOURN OBJECTION DEADLINE AND HEARING DATE FOR LUMA ENERGY
ADMINISTRATIVE EXPENSE MOTION**

* The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19 BK 5523-LTS) (Last Four Digits of Federal Tax ID: 3801).

The Official Committee of Unsecured Creditors, the Fuel Line Lenders¹ and UTIER² (the “Creditor Parties”) respectfully submit this reply in support of their Emergency Motion to adjourn the objection deadline and hearing date for the *Motion for Entry of an Order Allowing Administrative Expense Claim for Compensation for Front-End Transition Services Under the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement with LUMA Energy* (Docket Entry No. 1947 in Case No. 17-4780, the “Administrative Expense Motion”).³

1. The Creditor Parties asked for something simple and uncontroversial: An adjournment of the hearing date to the September omnibus hearing, and accompanying extension of the objection deadline, to facilitate a rational schedule on the Administrative Expense Motion. The Government Parties do not claim there is prejudice from holding the hearing in September. That should be the end of the matter.

2. Instead, the Government Parties seek to link the schedule on the motion to the scope of the discovery on the motion. The Creditor Parties have not determined what discovery they will seek; they may not seek any. They are more than prepared, once they have had a reasonable period of time to study the motion and determine what discovery might be appropriate, to work with the Government Parties on scope issues. That being said, the Government Parties have a perfectly good tool to limit discovery if they have concerns: They can move for a protective order under Federal Rule of Civil Procedure 26, and the Court will

¹ The Fuel Line Lenders are Cortland Capital Market Services LLC (“Cortland”), as successor administrative agent under a Credit Agreement, dated May 4, 2012, among PREPA, Scotiabank de Puerto Rico and certain lenders (the “Scotiabank Credit Agreement”).

² UTIER is the Unión de Trabajadores de la Industria Eléctrica y Riego, Inc.

³ Capitalized terms have the same meanings as in the Administrative Expense Motion.

resolve the dispute. But they should not be able to use their substantial control over scheduling matters in these cases as a means to accomplish tactical litigation outcomes. Instead, if necessary, they should ask for discovery relief in accordance with the rules, and give opponents, if any, a chance to respond. Their arguments on discovery are entirely misplaced in an opposition to a request for an adjournment.

3. The Government Parties also express concerns that the Administrative Expense Motion may be further delayed, but that is up to this Court. And the Creditor Parties do not have any intention of seeking further adjournments at this time. Nonetheless, if the Government Parties are right that any further delay would be prejudicial, the Court can deny any further adjournments. The Government Parties' insinuations about hypothetical improper actions that the Creditor Parties may take have no basis at all. Neither the Committee nor the Fuel Line Lenders have opposed privatization, and they have done nothing improper to delay any relief the Government Parties have sought.

4. Finally, the Government Parties suggest that their intent to file the Administrative Expense Motion was announced a couple of weeks ago, and therefore the Creditor Parties should have been ready. The simple problem is that the actual Administrative Expense Motion, the specific relief sought, and the supporting declaration were not available. It is the precise relief sought, and the legal theories and facts offered in support of motion, placed in context, that largely control discovery and potential objections. Simply put, the Administrative Expense Motion is not "simple," Resp. ¶ 23, and the Government Parties' claims to the contrary with respect to the legal and factual standards may be subject to substantial dispute.

5. The Creditor Parties are prepared to file any objections on August 12, and to have replies on September 2, as per the alternative proposal made by the Government Parties. They

also are willing to work cooperatively with the Government Parties to set appropriate interim deadlines for discovery, if such deadlines are needed.

Dated: July 13, 2020

Respectfully submitted,

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